
MEMORANDUM

TO: Distribution List
FROM: Anne Swank *ASW*
SUBJECT: Cross-Sales Strategy Meeting Recap
DATE: June 10, 1997

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EXHIBIT
105

This provides a recap of the Cross Sales Strategy Meeting on June 6, 1997. The purpose of the meeting was fivefold:

1. To review five potential scenarios for WBCS/Retail Bank Cross-Sales Initiative.
2. Clarify opportunity and identify issues for each scenario.
3. Formulate general strategic direction for scenarios.
4. Establish project teams.
5. Identify next steps and assign responsibilities.

The attached recap provides an overall discussion summary as well as addresses each of the scenarios in some detail. Each scenario covers the following: Discussion, Strategic Direction, Project Teams, and Next Steps.

Please brief appropriate staff members in your respective areas on this Cross-Sales effort and encourage their expedient participation in the project teams. Timing and resources for some of these scenarios may preclude 1997 pilot programs; however, the learning from the Project Teams will facilitate planning and budgeting for 1998 Cross-Sales programs.

If there are questions or revisions to this memo, please advise.

Distribution: J. Anthony
R. Copeland
C. Hegarty
F. Koehl
D. Pope
P. Stahle

cc: S. Kelly
J. McLean
J. Smith
B. Wells

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WACHOVIA BANK CARD SERVICES - MARKETING

D-0025

OVERALL

- Purpose of meeting was to put various cross-sales ideas on the table for discussion with the intent to identify opportunities for 1997/1998 implementation.
- General agreement that a coordinated and defined cross-sales strategy/program is consistent with our relationship bank positioning..
- Common desire to have hands on learning about market potential, degree of difficulty/risk, and success rates of cross sales programs.
- There are various degrees of complexity of the cross sales scenarios, ranging from "no-brainers" to the more complex Scenario 5 (packaged product).
- Recognition that some of the scenarios have/are occurring but not in a coordinated or comprehensive manner.
- Leverage the expertise in WBCS and Retail Bank to build a synergistic approach where viable: Retention research, Pro Strategy, WBCS Acquisition modeling, customer databases, segmentation schemes.
- Avoid competing with ourselves in the mailbox, in the branch, in the customer's mind
- Avoid duplication of effort and inconsistent messages
- Agree to move forward in a collaborative/project team mode on the first four scenarios for a detailed evaluation inclusive of market potential and estimated resources, funding, and timing.
- Recognition that we are midway into the year. Resources, priorities, etc. may preclude us from moving all five scenarios forward.
- Project teams for the first three scenarios were established..

Scenario Summary	Sponsor*
1. Retail Bank Customers without WBCS	WBCS
2. Mutual Customers	
A. Cross sell Other Wachovia products	Retail Bank
B. Revenue Enhancements	WBCS
3. Single Service WBCS Customers	Retail Bank
4. Prospects in Home States	WBCS
5. Financial Solutions/Packaged Product	Joint interest/WBCS taking lead

- Sponsor: Most interested area or area that considers initiative a high priority.

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SCENARIO 1

CFSS/NO WBCS

Discussion:

- Considerable opportunity to expand credit card ownership among Retail Bank, given current 24% penetration rate.
- Look at credit card penetration rates by state, by PSI segment, and by PRO segment to identify and size opportunities.
- Credit card currently not part of PRO strategy; agreement to add credit card to the algorithms at some undefined later date. Credit card was excluded from PRO because algorithms were developed using core Retail Bank products for which there was much experience and data.
- Retail Bank customers have been targeted by WBCS via direct mail with response rates above industry averages.
- Need to determine what are the best customer segments to target.
- Questions on how co-brand/BMG fits into this. BMG may be an appropriate card to target the younger and more mobile (in terms of loyalty) customer groups.

Strategic Direction:

- Utilize a dual strategy to target Retail Bank customers: PRO and the mass market
- PRO customers represent about 20% of the customer base. This group will be targeted via PRO Bankers once credit card has been added as a product choice.
- For the mass market (80% of the customer base), high potential customer segments will be targeted with direct mail with follow-up telemarketing by bankers and/or third party. Customer segment selection will be based upon various customer profile information available (MCIF, PSI, PRO, proprietary research, etc.).

Project Team:

- A. Swank, Kelly P., T. Bowman, J. Anthony, F. Koehl

Next Steps:

- Penetration rates by state, by PRO segment F. Koehl
- Advise timing for credit card inclusion into PRO D. Pope
- Convene project team to evaluate in detail A. Swank

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SCENARIO 2

CFSS/WBCS CUSTOMERS

Discussion:

- There are two cross-selling scenarios to our mutual customers: cross-selling other Wachovia products and cross-selling revenue enhancements. The former is considered a "no-brainer"; the latter generated moderate discussion.
- General concerns on how we separately and collaboratively manage the type and frequency of customer communication.

Other Wachovia products:

- Wachovia is currently cross-selling other Wachovia products to WBCS/CFSS customers via PRO, mortgage affinity, personal selling by bankers.
- Beginning in July, all home states customers will have algorithms. Scores can be used to target appropriate customer segments.

Revenue Enhancements:

- WBCS and Insurance are currently cross-selling non-Wachovia products (revenue enhancement) to this mutual customer segment.
- Some of WBCS best responders to revenue enhancements are in the Home States. WBCS conducts due diligence for its revenue enhancement offerings.
- Revenue enhancement programs are considered the norm within the credit card industry.
- Debit card is considering a revenue enhancement program with a travel discount opportunity.

Strategic Direction:

- Dual strategy for the two different markets: PRO and the mass market.
- For PRO, identify guidelines for cross-sell of other products and revenue enhancement programs. (May require no telemarketing/customer contact except for PRO banker.)
- For mass market, coordinate sales efforts to avoid multiple customer contact in short time period.

Project Team:

- F. Koehl, D. Pope, J. Anthony, T. Bowman, A. Abrahamson,

Next Steps:

- Investigate debit card enhancements J. Anthony
- Convene project team(s) to evaluate in more detail A. Swank

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SCENARIO 3 SINGLE SERVICE CUSTOMERS

Discussion:

- Past Retail Bank/FUSION programs targeting single service customers generated low response rates.
- The Tidewater Premiere Money Market effort is generally perceived as not successful.
- Considered a no-brainer and an opportunity to finally answer the question: What is the potential for cross sales among WBCS portfolio?
- Additional time and attention may be required, necessitating a 1998 implementation..
- Selling deposit products out of market may be difficult.
- A successful program targeting single service cardholders was launched at First Chicago using a continuous communication program to customers: welcoming/introducing to the organization, describing benefits in tangible fashion, offering appropriate sequential products. Communication was once a quarter vs. a one shot approach.

Strategic Direction

- Pursue both in-market and out-of-market single service WBCS customers
- Include Wachovia Investments as part of potential product offerings
- Tap into recent Retention Research and PRO algorithms (if possible) for models of high profit/high potential customers.

Project Team:

- J. Anthony, J. Hubbich, A. Abrahamson, A. Swank, F. Koehl, M. Askins

Next Steps:

- Evaluate availability of information to model high profit/high potential customers: F. Koehl
- Convene Project Team for evaluation J. Anthony

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SCENARIO 4 PROSPECTS IN HOME STATES

Discussion:

- Opportunity for WBCS to target prospects in Home States and subsequently pass on new customer information to Retail Bank for cross selling.
- Pre-approved offers are reasonable and not an issue.
- Non pre-approved offers generated concerns, in light of recent research that Wachovia is considered "stingy" with credit. Declining a non pre-approved prospect reinforces this negative image. Further discussion to segment this opportunity is needed.
- Retail Bank is moving away from price; issue was raised on credit card positioning--price vs. brand image.
- Opportunity to add a Retail Bank offer to the prospect solicitation (Premiere Bonus Rate). Nothing is currently ready.

Strategic Direction

- A July prospect mailing test is being developed.
- Test components include product and creative.

Project Team:

S. Eulie, D. Romar, J. Anthony, L. Fuller, T. Watson, A. Swank

Next Steps:

- Execute July mailing S. Eulie
 - Provide appropriate communication/education to Retail Bank on the mailing Watson/Fuller
 - Advise availability/timing for adding Retail Bank offers to future WBCS prospect mailings.
- P. Stahle

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SCENARIO 5 FINANCIAL SOLUTIONS/PACKAGED PRODUCT

Discussion:

- WBCS is very much interested in pursuing this concept and intends to move quickly on developing product, using internal partners or going to external partners.
- Discussion on the various ways to structure the model:
 - 1) credit card as core (per scenario definition/illustration)
 - 2) any payment product as core (debit card, credit card, checking account)
 - 3) revolving model according to customer perspective
- Limited discussion from Retail Bank on interest of this concept now.

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- CFSS is pursuing new systems architecture to facilitate packaged or bundled products and is working with consultant and IS to define requirements. Targeting end of summer.

Project Team:

- Mike Stephens who manages WBCS Co-Branding will be pursuing development of this scenario with credit card as core product, using both internal and external resources as partners.
- Recognize other areas of Wachovia are pursuing packaged products in other configurations.

Next Steps:

- Keep each other informed of separate progress and how they may be integrated.

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